

**2011 ANNUAL REPORT TO THE BOARD OF FORESTRY
from the
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER**



March, 2012

I. Overview

The Alaska Department of Environmental Conservation (DEC) appreciates the opportunity to present to the Board of Forestry (Board) its 2011 annual report on the effectiveness of the Alaska Forest Resources and Practices Act (FRPA) and the FRPA regulations in meeting state water quality objectives.

DEC's FRPA water quality objectives for forest operations are: (1) meeting state water quality standards (18 AAC 70); and (2) not causing "degradation of water quality" as defined in 11 AAC 95.900.

The FRPA and regulations specify and require the proper application of Best Management Practices (BMPs) to meet the FRPA water quality objectives. Determining if the BMPs are implemented, and if they are effective in meeting the water quality objectives, occurs primarily through: (1) state resource agency staff conducting formal compliance monitoring on timber harvest operations, and conducting forest practices field inspections; (2) operators performing routine self-monitoring; and (3) the collection, analysis, and reporting of water quality and fish habitat monitoring data from comprehensive BMP effectiveness projects. Under the authority of the federal Clean Water Act (CWA), DEC is involved in similar activities on U.S. Forest Service (USFS) lands.

In 2011, DEC reviewed timber harvest plans on all land ownerships, and participated in field inspections, primarily on Afognak and Kodiak Islands. Together with the Department of Natural Resources (DNR) Division of Forestry (DOF) and Alaska Department of Fish and Game (ADF&G) Habitat Division, these reviews and inspections have proven invaluable to ensuring that the BMPs are properly implemented and are effective at protecting water quality. We expect to conduct approximately the same number of plan reviews and field inspections in 2012, and to continue to focus field work on Afognak and Kodiak Islands.

II. Forest Practices Implementation on Private, Municipal, and Trust Lands

DEC maintains one full-time staff position assigned with statewide Forest Practices Program responsibilities on all land ownerships. Because of this limited staffing, the department has focused its field work on Afognak and Kodiak Islands where there are three on-going logging operations. This provides the greatest "bang for the buck" in terms of maximizing the most inspection time with the least amount of travel expenditure.

a. Review of Forest Practices Notifications:

DEC provided detailed review comments on each of the 69 Forest Practices Notifications that were received for logging operations on private lands in the Coastal Region, and on all 7 Forest Practices Notifications that were received for the Southcentral and Northern Regions.

b. Compliance Monitoring and Forest Practices Inspections:

In 2011, formal BMP compliance monitoring continued to be conducted by the DOF Area Foresters on all operations in their respective areas in conjunction with routine forest practices inspections. DEC participated in twenty days of compliance monitoring inspections that were

conducted on Afognak and Kodiak Islands. We look forward to reviewing the DOF's statewide summary of the 2011 compliance monitoring results.

III. State Land Activity

Activity on state land consisted of providing detailed written review comments on all Forest Land Use Plans (FLUPs) that were received during 2011. These included FLUPs for the following state timber sales:

- Heceta 2nd Growth Timber Sale (Southern Southeast Area)
- Canyon East Mixed #2 (Fairbanks Area)
- Ridgetop Birch (Fairbanks Area)
- Win Lake (Fairbanks Area)
- Skinny's End #2 (Fairbanks Area)
- Mosquito Spruce #3 Resale (Fairbanks Area)
- Standard 24 Mile Saddle (Fairbanks Area)
- Dunbars End Birch (Fairbanks Area)
- Oh My Birch #2 (Fairbanks Area)
- Mosquito Birch (Fairbanks Area)
- Two Rivers Birch (Fairbanks Area)
- Little Chena #4 (Fairbanks Area)
- Nenana Ridge Habitat #3 (Fairbanks Area)
- Prairie Chicken Birch (Fairbanks Area)
- Tanana Bluff Birch (Fairbanks Area)
- Aspen #1 (Fairbanks Area)
- Mae West Timber Sale Salvage (Valdez/Copper River Area)
- Taylor Complex Fire Salvage (Tok Area)
- Porcupine Ridge Salvage (Tok Area)
- Wood Energy Sale and Hazardous Fuels Reduction Project #1 (Tok Area)

IV. Federal Land Activity

The USFS continues to make progress on water quality issues by implementing the Tongass National Forest tasks identified in the Alaska Nonpoint Source Pollution Control Strategy, and in the 1992 Memorandum of Agreement (MOA) between the USFS and DEC. The basis of DEC's work with the USFS is the state's (through DEC) authority over water quality on federal lands, per the provisions of the federal Clean Water Act.

The MOA establishes the USFS as the agency responsible for monitoring and protecting water quality on National Forest System lands in Alaska, and describes specific DEC and USFS activities to accomplish that policy directive. The USFS has continued to accept input from DEC on improving its annual program for monitoring the implementation of BMPs and Forest Plan Standards and Guidelines for the protection of water quality and fish habitat.

The revised Tongass Land Management Plan (TLMP) commits the USFS to monitoring the implementation and effectiveness of water quality and fish habitat-related BMPs (found in the USFS Soil and Water Conservation Handbook) and Standards and Guidelines (specified in

TLMP). DEC has continued to actively work with the USFS to ensure that this monitoring is carried out, and that analysis of the data presents an accurate assessment of the implementation and effectiveness of the BMPs and Standards and Guidelines.

In 2011, DEC provided detailed review comments on all NEPA documents that were received for timber sale and restoration projects on the Tongass National Forest. These included the NEPA documents for the following projects:

- the Draft Environmental Impact Statement for the Tonka Timber Sale,
- the Final Environmental Impact Statement and Record of Decision for the Central Kupreanof Timber Sale,
- the Twelvemile Creek Restoration Project Environmental Assessment, and
- scoping comments for the Wrangell Island Timber Sale, the Two Roads Timber sale, the Big Thorne Timber Sale, the Pass Timber Sale, the Peril Project, and the Kennel Creek Integrated Resource Management Plan.

DEC also participated in the annual BMP implementation monitoring that was conducted on the Thorne Bay Ranger District.

V. Special Projects

a. State Wastewater Discharge Permitting for Log Transfer Facilities

No authorizations were issued in 2011, as all existing LTFs and log storage areas were reauthorized in 2009.

b. Alaska's Clean Water Actions (ACWA) Grant Solicitations

DEC has administered an ACWA grant program on an annual basis in conjunction with DNR and ADF&G since 2002. The program funds water body assessment and restoration projects throughout the state from a variety of funding sources, including Clean Water Act (CWA) Section 319 grants. Projects are either specific to a single water body or designed as “stewardship” projects, which affect multiple water bodies. In addition, in an effort to streamline the grant application processes, projects specifically related to the Beaches Environmental Assessment and Coastal Health (BEACH) Act funding have been included since 2006. More information on the ACWA program can be found on the ACWA website located at http://www.dec.state.ak.us/water/acwa/acwa_index.htm

CWA Section 319 funding provides the majority of monies available through the ACWA grant program. However, there has been a downward trend in CWA Section 319 funding nationwide. For example, between the years 1999 and 2010, national funding for Section 319 remained at or above \$200 million. For FY11, the amount decreased to approximately \$175 million. In addition, the President’s proposed FY12 budget has further reduced the funding to approximately \$164.8 million, which represents a reduction of approximately 18% from the funding level of 2010. Additional reductions could occur beyond FY12. Given the decline in Section 319 funding, EPA worked with states to complete an analysis of the 319 program to determine how best to use the available funds. As a result, EPA is focusing on using the reduced funds for the

development of Total Maximum Daily Loads (TMDLs) on impaired water bodies, and for water body restoration/recovery efforts.

DEC has identified specific high priority water body actions which (1) DEC has made a commitment to the public to address the concern (2) assess threatened waters for impairment, (3) assist in development of a Total Maximum Daily Load (TMDL) or recovery plan, or (4) implement TMDLs or recovery plans. This comports with EPA's direction in focusing funds on water body recovery and restoration efforts.

Although still participating in the development of priority water body actions, ADF&G is no longer providing any funding from the Alaska Sustainable Salmon Fund and DNR is no longer providing 310N (development of coastal uses and resources) funding to the ACWA program. The anticipated available funding sources and approximate amounts for FY13 are shown below.

Funding Source	Approximate FY13 Amount Available (in thousands of \$)
Nonpoint Source Pollution (CWA Sec. 319)	\$300.0
ADEC BEACH Grant (monitoring marine beaches for bacterial pollution)	\$100.0
Total	\$400.0

As mentioned previously to the Board, given the decline in available funding combined with higher priority actions, DEC decided to drop Forest Practices as a stewardship priority, particularly since monitoring to date has shown that the BMPs have been effective at protecting water quality.

c. Landslide Standards Implementation Group

DEC participated as a member of the Landslide Standards Implementation Group which was established by the Board to determine how best to implement the recommendations that were developed by the Landslide Science & Technical Committee. These recommendations were intended to further strengthen the FRPA best management practices for preventing or minimizing impacts of landslides on fish habitat and water quality. For more information on the Implementation Group's work, please see the DOF's 2012 annual report to the Board.

VI. Budget and Staffing

a. Budget -- DEC Coordination of Section 319 Clean Water Act

Because the Environmental Protection Agency (EPA) approved the 2007 Alaska Nonpoint Source Pollution Control Strategy, Alaska is eligible to receive federal Section 319 Clean Water Act (§319) monies to supplement state general funds in funding key components of the state's nonpoint source program, including forest practices. DEC coordinates the state program for all nonpoint source categories and on all land ownerships, including forest practices activities. These funds have been used to support DEC staff, forest practices functions of DOF and the Habitat Division, and other water quality management, monitoring, and in-water restoration work.

In state FY08, DEC provided \$350,000 in ACWA pass-through funds (\$319 dollars) for forest practices work. This included \$200,000 for DOF and \$150,000 for the Habitat Division. For FY09, funding was reduced to \$115,000 for DOF and to \$85,000 for the Habitat Division. This same level of funding was provided in FY10 and FY11 (calendar years 09 and 10). However, as indicated previously, given the significant decline in available \$319 funding over the past several years, DEC was unable to continue to provide funding to DOF and Habitat Division for their forest practices work beyond FY11.

b. Staffing -- Organizational Structure of the DEC Forest Practices Program

DEC's program of work related to forest practices focuses on ensuring the implementation of forestry BMPs via timber harvest plan reviews and field inspections on state, municipal, federal, and private lands. To accomplish this, DEC maintains one full-time staff position to oversee forest practices activities statewide. This position is funded primarily through a Performance Partnership Grant from the EPA. With the relatively low amount of timber harvesting throughout the state, this level of staffing has been appropriate, particularly given the oversight of forest practices activities provided by the greater number of DOF and Habitat Division staff. At this time, the department does not plan on adding additional staff to our Forest Practices Program.

VII. DEC observations on the effectiveness of the FRPA in protecting water quality

The three resource agencies have relied primarily upon plan reviews and field inspections to evaluate the success or failure of forestry BMPs. Information and new knowledge from these efforts, and from forest practices effectiveness monitoring projects, have and will continue to provide the basis for future recommendations on any improvements to the FRPA and its supporting regulations. DEC continues to believe that, when properly implemented, the BMPs of the Forest Practices Regulations are effective at protecting water quality.

VIII. Tasks and Initiatives for Calendar Year 2012

In addition to the standard FRPA implementation tasks on state, private, and federal lands, the department expects to complete the following tasks in 2012:

- Continue to work with DOF and the Habitat Division in prioritizing and reviewing BMP effectiveness monitoring projects, such as the Trends Monitoring of Fish Habitat Conditions in S.E. Alaska study.
- Participate as a member of the State Tongass Team to work cooperatively and proactively with the Tongass National Forest in addressing and resolving issues and concerns early in the timber sale planning process.